PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION ____

MR. SPEAKER:

I move that House Bill 1386 be amended to read as follows:

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1        Page 2, after line 42, begin a new paragraph and insert:
2        "SECTION 2. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE
3    AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4    JANUARY 1, 2000 (RETROACTIVE)]:
5        Chapter 20. Credit for Property Taxes Paid on Inventory
6        Sec. 1. As used in this chapter, "assessed value" means the
7    assessed value of inventory determined under IC 6-1.1-3.
8        Sec. 2. As used in this chapter, "inventory" has the meaning set
9    forth in IC 6-1.1-3-11.
10       Sec. 3. As used in this chapter, "pass through entity" means:
11           (1) a corporation that is exempt from the adjusted gross
12           income tax under IC 6-3-2-2.8(2); or
13           (2) a partnership.
14       Sec. 4. As used in this chapter, "state tax liability" means a
15    taxpayer's total tax liability that is incurred under:
16           (1) IC 6-2.1 (gross income tax);
17           (2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
18           (3) IC 6-3-8 (supplemental net income tax);
19           (4) IC 6-5.5 (financial institutions tax); and
20           (5) IC 27-1-18-2 (insurance premiums tax);
21    as computed after the application of the credits that under
22    IC 6-3.1-1-2 are to be applied before the credit provided by this
23    chapter, including the credit under IC 6-1.1-20.5.
24       Sec. 5. As used in this chapter, "taxpayer" means an individual
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1   **or entity that has state tax liability.**

2   **Sec. 6. (a) A taxpayer is entitled to a credit against the**
3   **taxpayer's state tax liability for a taxable year for the ad valorem**
4   **property taxes paid by the taxpayer in the taxable year on**
5   **inventory.**

6   **(b) The amount of the credit is equal to the product of:**

7   **(1) the appropriate percentage specified in subsection (c);**
8   **multiplied by**

9   **(2) the amount of property taxes paid on inventory by the**
10   **taxpayer during the taxable year.**

11   **(c) The percentage described in subsection (b)(1) is determined**
12   **by the calendar year in which the property taxes on inventory are**
13   **paid and is set forth in the following table:**

CALENDAR YEAR IN WHICH INVENTORY TAXES ARE PAID	PERCENTAGE OF INVENTORY TAXES ALLOWED AS A CREDIT
2000	10%
2001	20%
2002	30%
2003	40%
2004	50%
2005	60%
2006	70%
2007	80%
2008	90%
2009 and thereafter	100%

27   **(d) If a taxpayer pays property taxes in two (2) different**
28   **calendar years during the taxpayer's same taxable year, the**
29   **taxpayer shall apply the appropriate percentage specified for each**
30   **calendar year to the property taxes paid in each calendar year to**
31   **compute the credit for the taxable year.**

32   **Sec. 7. (a) If the amount determined under section 6(b) of this**
33   **chapter for a taxpayer in a taxable year exceeds the taxpayer's**
34   **state tax liability for that taxable year, the taxpayer may carry the**
35   **excess over to the following taxable years. The amount of the credit**
36   **carryover from a taxable year shall be reduced to the extent that**
37   **the carryover is used by the taxpayer to obtain a credit under this**
38   **chapter for any subsequent taxable year. A taxpayer is not entitled**
39   **to a carryback.**

40   **(b) A taxpayer is not entitled to a refund of any unused credit.**

41   **Sec. 8. If a pass through entity does not have state income tax**
42   **liability against which the tax credit may be applied, a shareholder**
43   **or partner of the pass through entity is entitled to a tax credit equal**
44   **to:**

45   **(1) the tax credit determined for the pass through entity for**
46   **the taxable year; multiplied by**

47   **(2) the percentage of the pass through entity's distributive**

1	**income to which the shareholder or partner is entitled.**
2	**Sec. 9. To receive the credit provided by this chapter, a taxpayer**
3	**must claim the credit on the taxpayer's state tax return or returns**
4	**in the manner prescribed by the department. The taxpayer shall**
5	**submit to the department proof of payment of an ad valorem**
6	**property tax and all information that the department determines**
7	**is necessary for the calculation of the credit provided by this**
8	**chapter.**".
9	Page 3, after line 3, begin a new paragraph and insert:
10	"SECTION 4. **An emergency is declared for this act.**".
11	Renumber all SECTIONS consecutively.
	(Reference is to HB 1386 as printed January 28, 2000.)

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Representative Turner